

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	
EAST KENTUCKY UTILITIES,)	CASE NO. 9236-E
INC.)	

O R D E R

On September 30, 1985, the Commission issued its Order in Case No. 9236 approving certain adjustments and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 6, 1986, East Kentucky Utilities, Inc., ("East Kentucky") notified the Commission that its wholesale cost of gas had been increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective March 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) East Kentucky's notice of March 6, 1986, set out certain revisions in rates which East Kentucky proposed to place

into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$32,328 or 22.423 cents per Mcf.

(2) Kentucky West has filed an application for increased rates to become effective March 1, 1986, with the Federal Energy Regulatory Commission ("FERC"). This increase is subject to refund.

(3) This Commission has filed a Notice of Intervention and Protest with the FERC concerning this rate increase from Kentucky West in Docket No. RP86-52-000. East Kentucky's increase should be approved subject to refund pending the decision in this proceeding.

(4) East Kentucky's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9236 dated September 30, 1985, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after March 26, 1986, subject to refund, instead of March 1, 1986, as East Kentucky requested. East Kentucky is required to give 20 days notice of a rate increase, pursuant to KRS 278.180.


IT IS HEREBY ORDERED that:

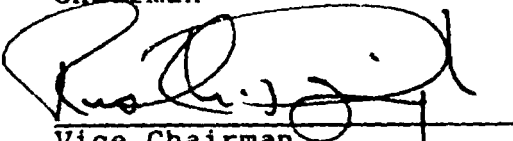
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 26, 1986, subject to refund.

(2) Within 30 days of the date of this Order East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 2nd day of April, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9236-E DATED 4/02/86

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.2052 Per Mcf
Over 1 Mcf	\$5.1652 Per Mcf

Minimum Bill: \$7.50 for less than 1 Mcf.

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc., shall be:

	<u>Commodity</u>
Kentucky West Virigina Gas Company	\$2.9375/Dth*
Southeastern Gas Company	\$3.50/Mcf

*Includes \$0.0135 per Dth - Gas Research Institute Funding Charge